

**F) Recycling Request for Proposals – Additional Detail**  
**(File No. WT 7832-10-1)**

**RECOMMENDATION:** that the information be received.

**REPORT**

This report provides additional detail regarding the Request for Proposal process and results for procurement of recycling services.

**Probity Audit**

At its meeting on August 17, 2011, City Council approved the Administration's proposal that one representative from the City's Internal Auditor, Garman, Weimer & Associates Ltd., be included on the Recycling Request for Proposals Evaluation Committee.

Garman, Weimer & Associates Ltd., was engaged in January 2012 to act as the Probity Auditor relating to the Request For Proposals, specifically RFP#11-1045 - Collections and RFP#11-1040 - Processing & Marketing Services, associated with the Single Family Residential Curbside Recycling Program.

A Probity Audit involves ensuring that a complex public sector process, such as procurement, is conducted in a manner that is fair, impartial, accountable and transparent, as well as in the public best interest. The full Audit report is included as Attachment 1. The Auditor found that:

“The procurement process has been conducted in accordance with industry best practices. The outcome has been achieved through processes that are visible, defensible and auditable.”

**Procurement Process**

The purpose of a Request for Proposal process, as opposed to a fixed-price tender, is to allow proponents to consider various means and solutions to deliver the work requested by the City. By including both quality and cost, the highest scoring proposal is deemed to be the proposal that provides the highest value to the client.

Tenders, in contrast, are used when the final product is defined, and the City is simply seeking to obtain the best price for a defined product.

The procurement process used for recycling services in Saskatoon was the RFP process, with the RFP terms, conditions, and rating criteria approved by Council on November 7, 2011. The cost of the proposal had a total weighting of 35%, and the technical content of the proposal had a total weighting of the remaining 65% of points.

As confirmed in the Probity Audit, Administration evaluated the various proposals per the conditions outlined in the applicable Council reports and RFP documents. The highest scoring proposals in each compatible grouping (single-stream individual proposals; dual-stream

individual proposals; and combined collection/processing proposal) were, in final ranked order, as follows:

Ranking	Description of Bids	Total RFP Points	Total Cost
#1	Loraas – Combined Proposal – both collection and processing	182.31	\$22.552M
#2	Loraas – Separately Bid Single-Stream	180.33	\$23.208M
#3	Cosmo/Emterra – Separately Bid Dual-Stream	168.10	\$21.510M

All four evaluators ranked Loraas' processing bid as superior to the Cosmo processing bid. This was a significant factor in the overall results. This technical score carried through the evaluation process, and impacted the final points.

As shown above, Loraas submitted a combined proposal as well as two separate proposals for a single-stream service (one for collections, one for processing/marketing). The difference between the two sets of proposals was lower pricing for the combined proposal, and further fortified quality assurance processes. Loraas placed both 1<sup>st</sup> and 2<sup>nd</sup> in the final evaluation, followed by the combination of the dual-stream Cosmo bid for processing and the Emterra bid for collections.

#### City of Saskatoon/Cosmo Contract

The City has a contract with Cosmo industries. This is a 10-year contract that will expire on May 31, 2018. Council has directed the Administration to continue to provide 7,800 tonnes of paper to Cosmo annually, of the same quality and on the same schedule as is currently provided.

#### **ENVIRONMENTAL IMPLICATIONS**

This project will allow the City to help protect, conserve and improve the environment.


#### **PUBLIC NOTICE**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

#### **ATTACHMENTS**

1. Probity Audit

Written and  
Approved by:

  
\_\_\_\_\_  
Jeff Jorgenson, General Manager  
Utility Services Department  
Dated: April 13/2012

Approved by: \_\_\_\_\_

Murray Totland, City Manager  
Dated: \_\_\_\_\_